



# SUPPLY CHAIN MANAGEMENT PRACTICES AND THEIR EFFECTS ON THE ORGANISATIONAL PERFORMANCE OF THE RETAIL INDUSTRY

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## ABSTRACT:

**Introduction:** Supply chain management (SCM) practises are a collection of procedures implemented to improve the efficiency and productivity of logistical operations. **Aim of the study:** the main aim of the study is to Supply Chain Management Practices And Its Effects On The Organisational Performance Of The Retail Industry. **Material and method:** The study team took into consideration a number of variables before settling on a survey as the primary data collection strategy. **Conclusion:** Such a complex and challenging business environment demands an organisation to be swift and responsive in meeting its customers" demands, thereby, making time- and quality-based competition a need of the hour.

## 1. INTRODUCTION

### 1.1 OVERVIEW

Supply chain management (SCM) practises are a collection of procedures implemented to improve the efficiency and productivity of logistical operations. Partnership with suppliers, actual movement of products, satisfying consumer expectations, and information exchange among all parties involved in the supply chain are all essential parts of the process. Estimation of customer demands, efficient and effective delivery, integration and collaboration throughout the supply chain are some of the important SCM techniques that affect performance. Integration of informal practises and the hiring of subject-matter experts across the supply chain to complete tasks that would otherwise need a larger team. Supply chain efficiency is influenced by all of these techniques (Srivastava, 2006).

## **1.2 EFFECTS OF SUPPLY CHAIN MANAGEMENT PROCEDURES ON ORGANIZATIONAL EFFICIENCY**

Competition increased and worldwide marketplaces became more complex in the 1990s, creating new obstacles for on-time and cost-effective product delivery. Organizations started to understand that focusing just on boosting internal efficiencies wasn't enough and that their whole production network needed to be taken into account. Successful global competition and forward progress have made SCM planning and implementation a must. Supply chain management (SCM) aims to organise information and physical resources reliably throughout the whole manufacturing network. The concept of SCM is being given more and more thought by scholars, experts, and business executives alike. In an increasingly competitive market, many businesses have realised that strategic supply chain management (SCM) is crucial to maintaining a competitive advantage.

## **2. LITERATURE REVIEW**

**Martadisastra, Dedie & Faisal, Aekram (2021)** The research set out to examine the characteristics that contribute to harmonious retail-supplier interactions in the context of the supply chain of contemporary retailers. On the other side, how much current retail-supplier relationships are influenced by variables of harmonising behaviour (commitment, conflict, conflict management, collaboration, and trust). As part of a larger research on the causes of harmonisation behaviour, this report offers the findings of a survey of packaged processed food producers.

**Das, Saikat & Hassan, H.M. Kamrul (2021)** The current investigation made use of a self-administered questionnaire with 20 questions. The results backed up the predictions made before the study began. The results of the study establish a link between SSCM and CRM and OP. A small positive correlation between CA and OP was found. Companies are more likely to use SSCM and CA to achieve OP in underdeveloped nations. On the other hand, the connection between "Customer relationship management" and operational effectiveness has been given very little focus. In order to realise OP, it has been recommended that CRM and SSCM be addressed in tandem.

**Wijayadne, Devi & Fcw Sutrisno (2021)** Modern supply chain management is more focused on maximising value for end users than it was in the past. In addition to seeking improved efficiency, it prioritises the demands of customers and makes an effort to capture the nuances of customer value as a means of standing out from the competition.

**Jiwa, Zeplin & Jiputra, Juan & Siagian, Hotlan (2021)** There has been an increase to an excessive degree in the variety of goods available in today's retail establishments. The supplier must provide outstanding service in order to help the store meet the demand for more product. In order to provide this assistance, a reliable and quick data system is required. Supply chain management and information technology integration between retailers, suppliers, and customers is mutually beneficial. This research analysed how supply chain practises affect store performance and how IT acts as a moderator.

**Savio, Riccardo (2021)** Researchers are increasingly in agreement that allowing stores to stay open later would be beneficial to the economy as a whole, both in terms of income and new employment opportunities. While this is likely the case, the risks associated with this

kind of liberalisation on the lowering of business performance and how companies in the retail sector handle this risk are not well documented in the existing research. It is difficult to rule out how companies respond to this and whether there are consequences on company performance, despite the fact that theory demonstrates a clear relationship between extending store opening hours and revenues and employment.

### 3. METHODOLOGY

#### 3.1 SURVEY METHOD

Mail surveys, in-person interviews, and telephone surveys are the three most frequent types of data collecting, and they each have their own set of benefits and drawbacks. The study team took into consideration a number of variables before settling on a survey as the primary data collection strategy. A low response rate is the most evident drawback of mail surveys, which are otherwise less costly than telephone interviews and in-person interviews. The time and money spent on travel for in-person interviews may be saved by holding them over the phone. However, it seems that telephone interviews are ineffective when used to get responses to a lengthy questionnaire.

#### 3.2 DATA COLLECTION AND ANALYSIS

A systematic questionnaire was created to collect primary data after the suggested components were discovered via a literature study and expert interviews. As a matter of fact, there were two separate survey phases. In the first phase, a pilot test was executed by reaching out to 50 stores and 50 suppliers. There were two distinct periods of data gathering. In the first stage, the questionnaire was given to stores. Key suppliers were requested from the shops (ranked by sales turnover of the supplied product). Key suppliers were identified from the retailer's answer, and the survey was completed with their replies in the second phase. There was a five-point likert scale used to rate the replies.

### 4. RESULTS

#### 4.1 RESPONDENTS FOR RETAILER VERSION

Among the 207 respondents, 56.5% said they had 4-10 years' experience in the workforce, while 31 said they had 3 years or less, 28 said they had 10-15 years, 18 said they had 20 years or more, and 13 said they had more than 20 years (Figure 4.1).

Table 4.1 Total Work Experience of Respondents (Retailer Version)

<b>Respondents</b>	<b>%</b>
< 3 years	15%
4-10 years	56.6%
10-15 years	13.5%
15-20 years	8.7%
> 20 years	6.3%

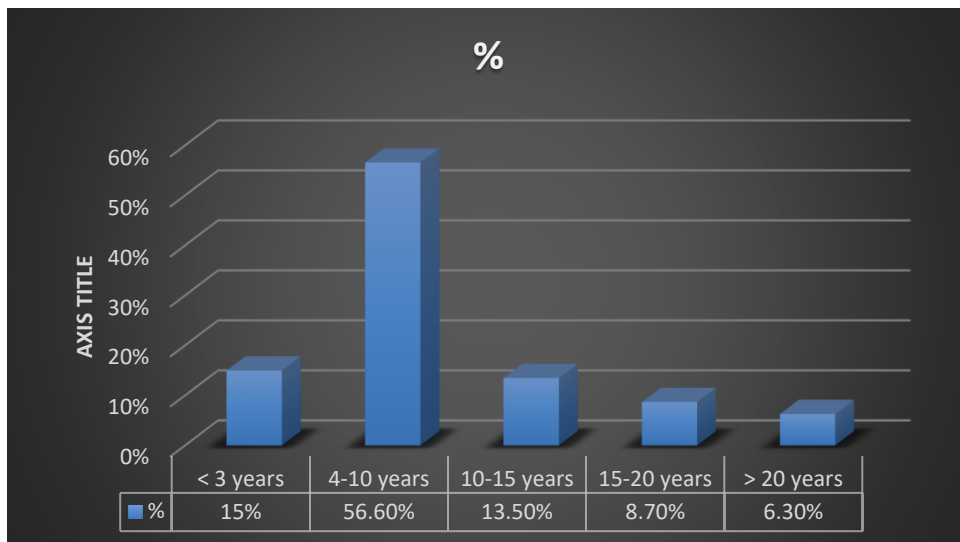


Figure 4.1: Total Work Experience of Respondents (Retailer Version)

Over two-thirds of respondents (134, or 64.7%) put "less than or equal to 3 years" as their length of service at their present employer. Seventy people have said that they have been with the company for four to ten years, while three have indicated that they have been there for ten to fifteen years. No one who responded had more than 15 years of experience (Figure 4.2).

Table 4.2 Experience of Respondents in Current Organisation (Retailer Version)

Respondents	%
< 3 years	64.7%
4-10 years	33.8%
10-15 years	1.4%
15-20 years	0%
> 20 years	0%

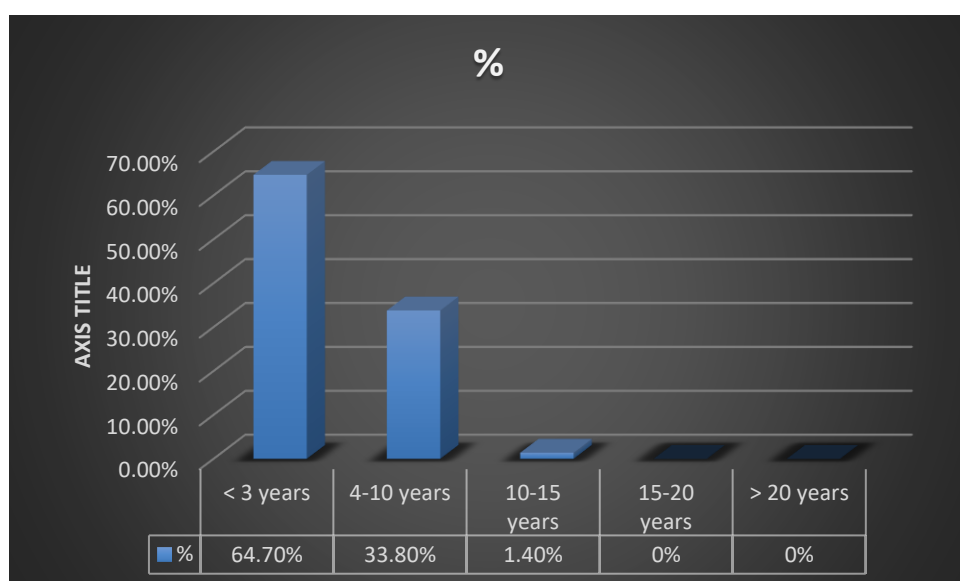


Figure 4.2 Experience of Respondents in Current Organisation (Retailer Version)

151 people (or 72.9%) have chosen "Department Store," while 56 people have chosen "Hypermarket" (Figure 4.3).

Table 4.3 Retail Formats of the Respondents (Retailer Version)

Respondents	%
Department Store	72.9%
Hyper Market	27.1%

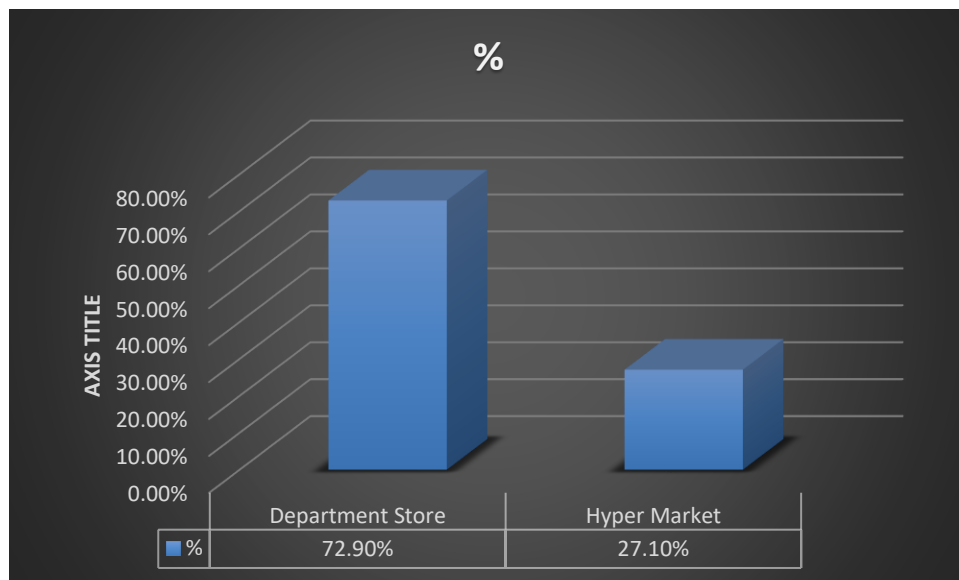


Figure 4.3 Retail Formats of the Respondents (Retailer Version)

There were 207 responses, and only 103 of them stated that they had a formal supplier-retailer integration programme, while 104 said they did not (Figure 4.4).

Table 4.4 Documented Integration Program (Retailer Version)

Respondents	%
Yes	49.8%
No	50.2%

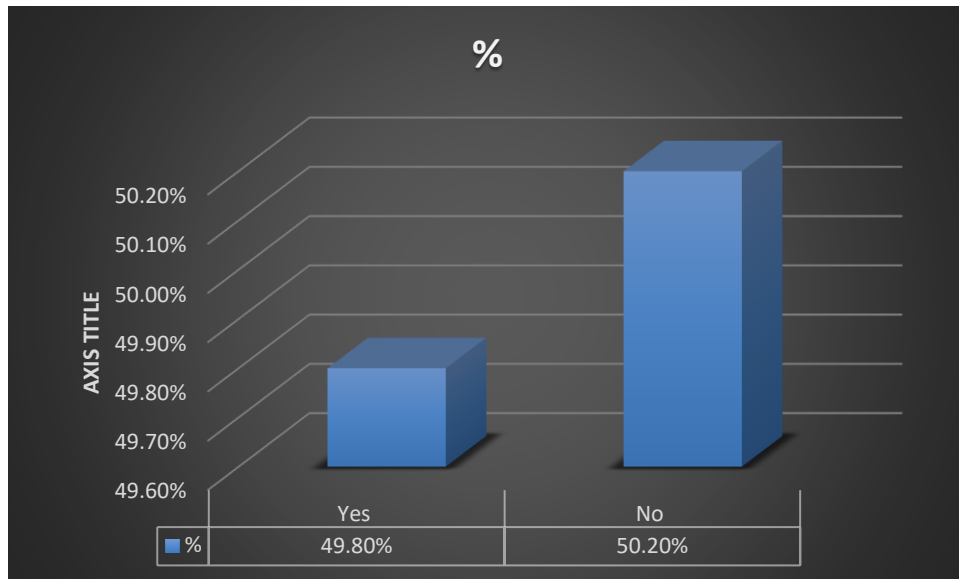


Figure 4.4: Documented Integration Program (Retailer Version)

### SUPPLIERS' PROFILE

Table 4.5 Level of Education of Respondents (Supplier Version)

Respondents	%
Bachelors Degree	48%
Masters Degree	40.5%
Doctor's Degree	1.5%
others	1%

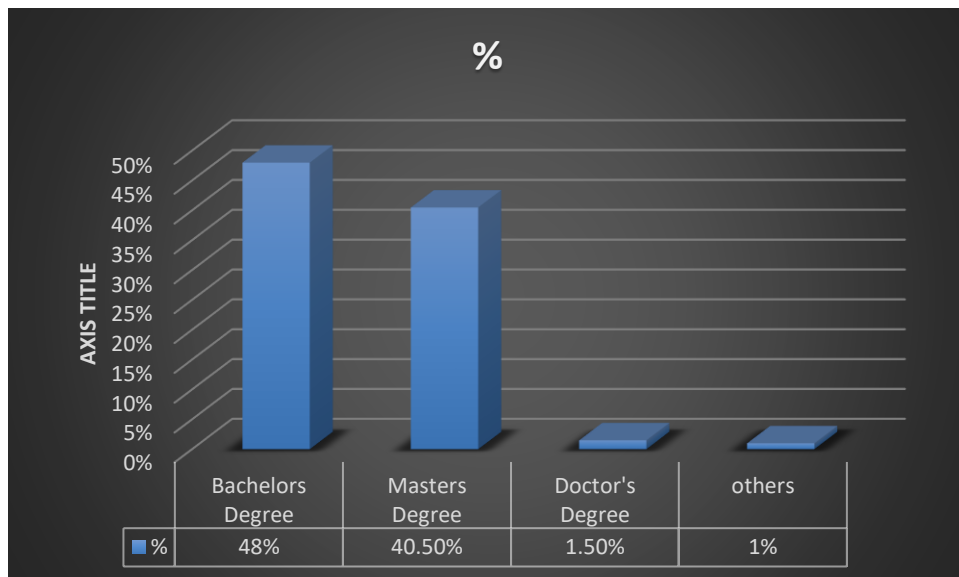


Figure 4.5 Level of Education of Respondents (Supplier Version)

Overall, 55 percent of respondents (4/101) have reported having 4-10 years' worth of job experience. Thirty-four people (or 17%) said they had "less than 3 years" of experience, while thirty people (or 15%) said they have "10-15 years" of experience. There are 9

responders (4.5%) with "15-20 years of experience," and 17 (8.5%) with more than 20 years of experience (Figure 4.6).

Table 4.6 Total Work Experience of Respondents (Supplier Version)

Respondents	%
< 3 years	17%
4-10 years	55%
10-15 years	30%
15-21 years	9%
> 20 years	17%

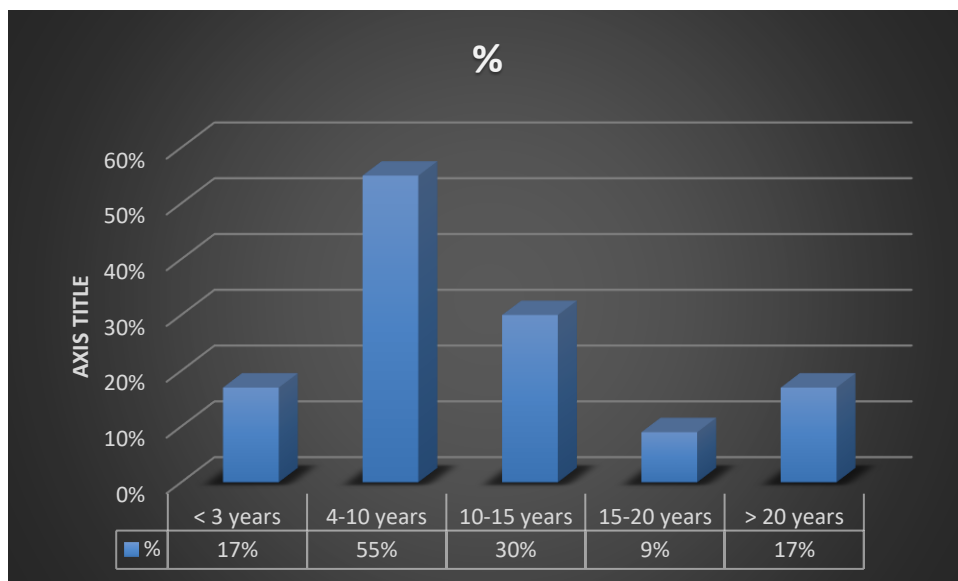


Figure 4.6 Total Work Experience of Respondents (Supplier Version)

Of the total respondents, 125 (or 62.5% of the sample) said they had been with their present employer for "less than 3 years." Another 56% said they had been there for "4-10 years," and 3% said they had been there for "10-15 years." Only 4% of respondents reported having more than 15 years of relevant expertise (Figure 4.7).

Table 4.7 Work Experience in Current Organisation of Respondents (Supplier Version)

Respondents	%
< 3 years	62.5%
4-10 years	28%
10-15 years	4%
15-22 years	3.5%
> 20 years	2%

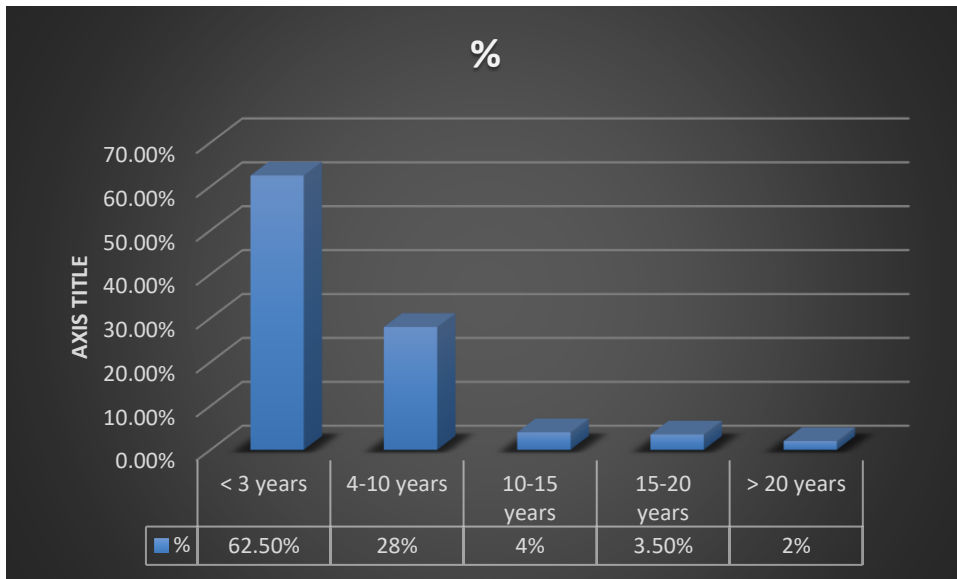


Figure 4.7: Work Experience in Current Organisation of Respondents (Supplier Version)

About 65 percent of respondents (130) said they had a formal supplier-retailer integration programme, whereas 35 percent of respondents (70) said they don't (Figure 4.8).

Table 4.8 Documented Integration Program (Supplier Version)

Respondents	%
Yes	65%
No	35%

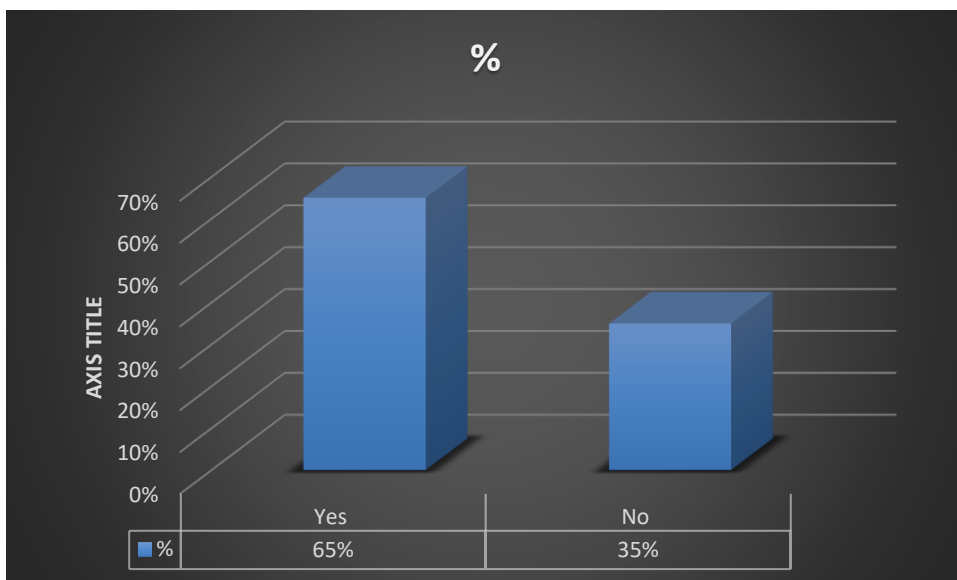


Figure 4.8: Documented Integration Program (Supplier Version)

## 5. CONCLUSION

Such a complex and challenging business environment demands an organisation to be swift and responsive in meeting its customers' demands, thereby, making time- and quality-based competition a need of the hour. However, this competition is no longer



confined to separate organisations but has brought their entire supply chains within its purview. This necessitates the management of a supply chain from its source to its end in order to overcome the uncertainties posed by the 21st century dynamic and technological-driven environment, ultimately leading to improvements in the performance of not just a single organisation but of its entire supply chain.

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